

Usable Reserves	£'000	Purpose
General Fund	12,360	Used as an overall contingency to cushion the impact of unexpected events or emergencies and as a means of smoothing out annual budgets where there is significant change
Earmarked Revenue Reserves	52,782	Consisting of sums set aside for specific purposes to support Corporate and Service needs
Earmarked Capital Reserves	3,904	Consisting of sums set aside to fund known and ongoing Capital Projects
Capital receipts Reserve	12,935	Capital monies received by the Council set aside for funding ongoing Capital schemes per the Capital Programme. These sums are committed to current schemes and cannot be used to support Revenue expenditure
Capital Grants unapplied Account	20,965	Relates to committed funding on Capital schemes and cannot be used to support Revenue spending
Housing Revenue Account	17,135	Exists to support expenditure for Housing Revenue Account purposes only and cannot be used to support general Council Revenue or Capital Expenditure
Total usable reserves	120,081	

The sum of £120,081,000 represents the total reserves that the Council has available to support all activities.

Crucially, however, not all of these reserves are available to support the annual general fund revenue budget of the Council.

The total available to support general fund revenue expenditure comprises General reserves of £12,360,000 of which £1,200,000 is earmarked to fund the current year revenue budget, together with earmarked reserves of £52,782,000 which were detailed specifically in section 3.12 of the Council report.

Again, this table, including the recommended reclassification, is shown below:-

Category of Earmarked Reserve	Current Balance 31/3/15 £'000	Proposed Change £'000	Recommended Position £'000
Technical/Third party	1,465	0	1,465
Insurance	18,775	-4,000	14,775
Job evaluation	2,234	0	2,234
Transformation and efficiency	2,525	0	2,525
Schools delegated reserves	9,754	0	9,754
Equalisation reserves	3,121	-2,471	650
Commutated sums	4,945	0	4,945
Repair and Renewal funds	3,706	0	3,706
Profit share on disposals	1,027	0	1,027
Service earmarked reserves	5,230	-1,374	3,856
Restructuring costs reserve	0	7,845	7,845
Total earmarked reserves	52,782	0	52,782

In terms of reserve descriptions and purpose, the following table gives specific background to each reserve:-

Category of Earmarked Reserve	Purpose and use
Technical/Third party	These reserves are created at year end for accounting purposes and are largely notional shares of reserves of regional bodies. They are not available for Council use although can be used by the body concerned for activities relevant to the Council.
Insurance	Monies set aside to meet excesses on insurance policies and liabilities arising from items not insured externally but through the Councils internal fund. The level is advised by independent insurance advisers.
Job evaluation	Set aside to meet residual liabilities arising from Equal pay and backpay requirements.
Transformation and efficiency	Set aside to meet the costs of facilitating whole Council change to meet current and ongoing service changes.
Schools delegated reserves	Reserves which belong to schools under the Councils scheme of delegation and which can only be used by Schools and not more widely by the Council
Equalisation reserves	Limited reserves set aside to meet potential

	fluctuations arising from major grant income or expenditure.
Commutated sums	Where an asset is transferred to the Council (e.g. the Sail Bridge) then it is often the case that the transfer is accompanied by a sum of money to meet future expected maintenance costs. These sums are set aside pending those costs being incurred.
Repair and Renewal funds	These sums are set aside to meet refurbishment costs at Major Council assets, including the LC, in line with lease and management agreements.
Profit share on disposals	These are sums due back to Welsh Government based on profit share arrangements on sale of Council sites where funding for reclamation or improvements have been funded by WG grant.
Service earmarked reserves	These small reserves have been set aside by services to meet planned expenditure.
Restructuring costs reserve	As detailed in the report sums set aside to meet future restructuring costs.